

## 2005 Social Security/SSI Information

- o Tax Rate\*: Employee and employer each -- 7.65% (6.20% - OASDI, 1.45% - HI)  
     Self-employed ----- 15.30% (12.40% - OASDI, 2.90% - HI)  
     \* Social Security tax for employers and self-employed can be partially offset under income tax rules.

- o Maximum Taxable Earnings Base: OASDI-- \$90,000; HI-- No limit

- o Maximum FICA/SECA Taxes:

	<u>OASDI</u>	<u>HI</u>
Employee/employer (each):	\$ 5,580.00	No limit
Self-employed:	11,160.00	No limit

- o OASDI Covered Workers (in millions, 2005 est):
- |  | <u>Wages</u> | <u>Self-employed</u> | <u>Combined</u> |
|--|--------------|----------------------|-----------------|
|  | 149.4        | 15.7                 | 159.0           |

- o Percent of workers who are covered: 96%

- o Estimated Worker/Beneficiary Ratio: 2005: 3.3 to 1                      2041: 2.0 to 1

- o Earnings Required for a Quarter of Coverage: \$920; (\$3,680 for four)

- o Coverage Thresholds 2005:    Domestic Employment:    \$1,400                      Election Workers:                      \$1,200

- o Retirement Test Exempt Amounts:

--No test after attaining full retirement age (FRA)—i.e., age 65 and 6 months for those attaining age 65 in 2005  
 --For pre-FRA months in year attaining FRA: -- \$31,800 annually, \$2,650 monthly (\$1 for \$3 withholding rate)  
 --Under FRA --\$12,000 annually, \$1,000 monthly (\$1 for \$2 withholding rate)

- o Supplementary Medical Insurance Premium: \$78.20

- o Substantial Gainful Activity: \$830/mo. nonblind, disabled; \$1,380/mo. blind;

- o Trial Work Period Service Month: \$590/mo.

- o Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2005)

<u>Primary Insurance Amount (PIA)</u>	<u>OASI Maximum Family Benefit (MFB)</u>
90% of first \$627 of AIME, plus	150% of first \$801 of PIA, plus
32% of AIME over \$627 thru \$3,779, +	272% of PIA over \$801 thru \$1,156 +
15% of AIME over \$3,779	134% of PIA over \$1,156 thru \$1,508, +
	175% of PIA over \$1,508

(DI MFB ranges from 100% - 150% of the PIA, depending on the PIA level)

- o Average Monthly Benefits:

	<u>12/03</u>	<u>12/04</u>
Retired worker:	\$ 922	\$ 955
Retired worker and aged spouse:	1,523	1,574
Disabled worker:	862	894
Disabled worker, spouse and children:	1,441	1,496
Aged widow(er):	888	920
Widowed mother/father and 2+ children:	1,835	1,905

- o Benefits for 2005 Retirees:

	<u>Age 62 (FRA 66)</u>		<u>FRA (Age 65 + 6 months)</u>	
	<u>PIA</u>	<u>Benefit</u>	<u>PIA</u>	<u>Benefit</u>
Scaled low earner (\$15,776 career avg. wages)	\$ 772.60	\$ 582	\$ 775.20	\$ 775
Scaled medium earner (\$35,057 career avg.)	1,272.40	959	1,277.00	1,277
Maximum earner	1,926.60	1,452	1,939.00	1,939

- o Long-Range Constant Replacement Rate: Retirement at Age 67 in 2030 or later

Scaled low earner (45% of avg. wages): 55%; Scaled medium earner: 41%; Maximum earner: 27%

- o COLA: Increase payable in January 2005 benefits – 2.7 percent

- o Full Retirement Age Schedule — by Year of Birth

1938 - 65/2 mos.	1942 - 65/10 mos.	1957 - 66/6 mos.
1939 - 65/4 mos.	1943-54 - 66	1958 - 66/8 mos.
1940 - 65/6 mos.	1955 - 66/2 mos.	1959 - 66/10 mos.
1941 - 65/8 mos.	1956 - 66/4 mos.	1960+ - 67

- o Taxation of Benefits -- % of Benefits Taxed:

<u>% Taxed</u>	<u>Income Threshold</u>	<u>Filing Status</u>
up to 50%	\$25,000 - \$34,000	Individual
	32,000 - 44,000	Joint
up to 85%	\$34,000 +	Individual
	44,000 +	Joint

- o Average Wage Level: 2003: \$34,065; 2004: \$35,057 (est.)

- o Special Minimum PIA (12/04):

Approximately \$32.80 per year of coverage over 10 years; highest special minimum PIA = \$655.90 (30 years/coverage)

- o Minimum Earnings for Year of Coverage:

	<u>2004</u>	<u>2005</u>
--Special Minimum:	\$9,765	\$10,035
--Windfall Elimination Provision:	\$16,275	\$16,725

- o Number of OASDI Beneficiaries (as of 12/04):

--Total OASDI beneficiaries:	47.7 million
--Retired workers and family members:	33.0 million
-Retired workers:	30.0 million
--Spouses:	2.6 million
--Children:	0.5 million
--Survivors of deceased workers:	6.7 million
-Aged surviving spouses:	4.4 million
-Disabled surviving spouses:	0.2 million
-Surviving spouses w/ child-in-care:	0.2 million
-Children:	1.9 million
--DI beneficiaries:	7.9 million
-Disabled workers:	6.2 million
-Spouses:	0.2 million
- Children:	1.6 million

- o Number of OASDI Children Beneficiaries (12/04):

--Total:	3,986,322
-Children under age 18:	3,097,466
-Students aged 18-19:	129,586
-Disabled Children aged 18 or older:	759,270

- o OASI/DI Trust Funds' Operations (in billions, based on intermediate assumptions in 2005 Trustees Report):

<u>Calendar Year</u>	<u>Income</u>	<u>Outgo</u>	<u>Funds' Assets</u>	
			<u>Net Incr.</u>	<u>EOY Balance</u>
2004	\$658	\$502	\$156	\$1,687
2005 (est.)	\$690	\$527	\$163	\$1,850

- o OASDI Administrative Expenses (CY 2004):

	<u>OASI</u>	<u>DI</u>	<u>OASDI</u>
Amount (in billions)	\$ 2.4	\$2.2	\$4.5
Percent of Benefit Payments	0.6%	2.7%	0.9%

- o SSI Payment Standard: \$579 individual, \$869 couple (effect. 1/05)

- o Number of SSI Beneficiaries and Average Payments (11/04):

	<u>Beneficiaries</u>	<u>Average Payments</u>
Total	7,045,053	\$ 426.50
Aged -----	1,227,544	\$ 348.56
Blind & Disabled -----	5,817,509	442.97
SSI Beneficiaries by Age:		
Under 18 -----	1,001,924	\$ 505.61
Age 18-64 -----	4,043,681	444.52
Age 65 and Over -----	1,999,448	350.48

- o SSI Expenditures FY 2004

Federal SSI payments ----- \$33.7 billion  
Fed. Administered State Supplements ----- 4.2 billion

- o Number of people receiving monthly benefits from SSA (11/04):

-OASDI Benefits only ----- 45.1 million  
-SSI Benefits only ----- 4.6 million  
-OASDI and SSI Benefits Concurrently -- 2.5 million  
Total ----- 52.2 million

- o Program Accuracy

OASDI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2003

-- 99.8% of payment outlays without an overpayment

-- 99.9% of payment outlays without an underpayment

SSI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2003

-- 93.9% of payment outlays without a preventable overpayment

-- 98.9% of payment outlays without a preventable underpayment

DDS Accuracy Rate for Initial Disability Decisions -- FY 2003

-- 96.1% - Overall performance accuracy rate

- o Key dates from 2005 OASDI Trustees Report: (using intermediate assumptions)

2015 OASDI assets peak at 418 percent of expenditures.

2017 Expenditures exceed tax income for the first time since 1983.

2027 OASDI expenditures begin to exceed revenues from all sources, including interest earnings; Trust Fund reserves begin to be drawn down to help pay benefits.

2041 OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would support about 74% of the expected benefits.

- o Estimated long-range deficit: 1.92 percent of taxable payroll.

- o Social Security Information: 1-800-SSA-1213 TTY: 1-800-325-0778 (53.2 million calls handled in FY 2004)

- o SSA Online: <http://www.socialsecurity.gov> (35.1 million visits to this website in FY 2004)

- o Congressional Relations Staff: (410) 965-3929

- o OIG/SSA Fraud Hotline: 1-800-269-0271